

Phasing out old coal plants can free space for 60 GW renewable power: Praveer Sinha, TATA Power

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New Delhi: Closing old coal plants which have been in operation for 25-30 years can create space for setting up 60 Gigawatt of renewable energy, according to Praveer Sinha, Managing Director (MD) & CEO, Tata Power.

He was speaking at a report launch webinar organized by Climate Trends where he talked about how closing old coal-based power plants is important from both economic and environment point of view.

"If we look at more statutory requirements, more in terms of environmental requirements, there is definitely a business case that one can say that plants which have been 25 years old or 30 years old and which are not meeting the pollution norms, they need to close down," Sinha said.

He said plants which are 25 years old or more need to be closed instead of renewing them because these plants will have to go for Flue Gas Desulphurization (FGD) and other additional costs will be incurred.

He said there are 270-280 plants which are more than 25 years old and their total power generating capacity is around 35 GW. Also, there are around 200-odd old coal plants which had a 15-year loan repayment schedule.

"If 60 GW comes out of the system, it will first of all reduce the burden on fixed costs, which many of these discoms continue to pay in spite of the fact that they are not using these plants totally. They are using it for picking requirements of a few hours in a year," he said.

He further elaborated that a part of this 60 GW can be used by stranded assets which are already completed and are not able to schedule their power since there is no long-term Power Purchase Agreement (PPA) or medium-term PPA.

He emphasized that new plants will be more efficient and the coal which was allocated to earlier plants can be allocated to these projects. These will be able to generate more quantum of power.

“The third aspect is whatever capacity is created after accounting for the stranded assets, in the range of 40-50 GW, can be taken up by renewables,” he said. Sinha also added that this could be enabled by policy measures at the state level.